

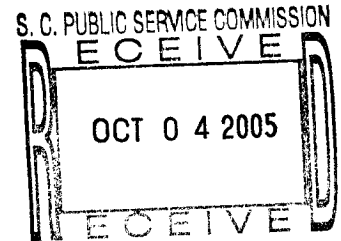
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October 3, 2005

VIA ELECTRONIC AND FIRST CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Chief Clerk
SC Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211



RE: Application of Quality Telephone, Incorporated for a Certificate of Public Convenience and Necessity to Provide Local Exchange Services, Exchange Access Services, Interexchange Telecommunications Services and for Flexible Regulation of its Local Exchange Services
Docket No. 2005-232-C, Our File No. 1074-10324

Dear Mr. Terreni:

Enclosed is the original and twenty-five (25) copies of the **Testimony of Frank McGovern** filed on behalf of Quality Telephone, Incorporated in the above-referenced docket.

Please acknowledge your receipt of this document by file-stamping the copy of ✓ ~~HP~~ this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John J. Pringle, Jr.".

John J. Pringle, Jr.

JJP/cr

cc: Office of Regulatory Staff [via electronic and first-class mail service]
Mr. Frank McGovern [via first-class mail service]
Ms. Judith Riley [via first-class mail service]

Enclosures

OK D. Duke
OK D. Duke

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-232-C**

In the Matter of)
The Application of Quality Telephone Telephone, Incorporated)
for a Certificate of Convenience and Necessity to Provide) **TESTIMONY OF**
Local Exchange Services, Exchange Access Services,) **FRANK MCGOVERN**
Interexchange Telecommunications Services, and for Flexible)
Regulation of its Local Exchange Services)

1 **Q: Please state your name and business address for the record.**

2 A: My name is Frank McGovern and my address is 301 North Market Street, Suite
3 #400, Dallas Texas 75209.

4

5 **Q: By whom are you employed and in what capacity?**

6 A: I am the President of Quality Telephone, Incorporated ("Quality Telephone").

7

8 **Q: Is the address of the company the same as that which you have just supplied?**

9 A: Yes.

10

11 **Q: Please describe your duties for the company.**

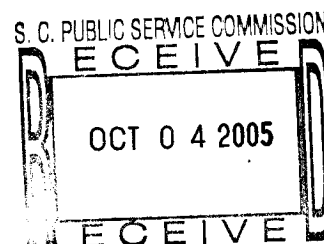
12 A: As President, I manage all facets of Quality Telephone's daily operational issues.

13 These operations include regulatory reporting and compliance, vendor relations,

14 sales and marketing.

15

16 **Q: Please provide a brief background on your experience in**
17 **telecommunications.**



1 A: I have many years of experience in the telecommunications/utilities industry.
2 Before joining Quality Telephone, I worked for GTE / Verizon as manager of
3 New Product Development, where I was responsible for profit and loss, project
4 management and all aspects of bringing new lines of business into the market
5 place, including all market research, marketing, direct marketing, sales,
6 distribution, operations, network design and finances. Before that, I was a Staff
7 Manager in the Corporate Strategy Department, where I was responsible for
8 multiple projects determining the future direction of GTE's residential local
9 phone service.

10 Before joining GTE / Verizon, I held various engineering and operating
11 positions with General Electric in New Mexico, Tennessee, Massachusetts and
12 New York.

13 I have an MBA from the University of Texas at Austin and a Master's in
14 Engineering also from the University of Texas.

15

16 **Q: Please describe the names, titles, and brief biographical information for your**
17 **other key management personnel.**

18 A: See Exhibits B and D to the Application.

19

20 **Q: Are you familiar with the Application of your company submitted to this**
21 **Commission?**

22 A: Yes.

1 **Q: Do you ratify and confirm the statements and representations made in that**
2 **petition?**

3 A: Yes.

4

5 **Q: What is the purpose of your testimony?**

6 A: The purpose of my testimony is to present evidence on the financial, managerial
7 and technical abilities of Quality Telephone to provide local exchange services,
8 interexchange services and exchange access services in South Carolina.

9

10 **Q: Please describe Quality Telephone's general managerial ability to provide the**
11 **proposed services.**

12 A: Quality Telephone is guided by an experienced and highly able management team
13 that includes individuals who have distinguished themselves over the past several
14 years in executive positions within the telecommunications industry. The senior
15 management team possesses extensive business, technical, operational and
16 regulatory telecommunications experience, as detailed in Exhibit D of Quality
17 Telephone's Application.

18

19 **Q: Please describe Applicant's financial ability to provide the proposed services.**

20 A: Quality Telephone has substantial financial wherewithal and access to ample capital
21 as detailed in Exhibit C attached to the application.

22

23 **Q: Which carrier or carriers serve as your underlying carrier?**

1 A: Quality Telephone proposes to offer local exchange by leasing the unbundled
2 network elements platform of BellSouth Telecommunications (“BellSouth”),
3 Verizon, Sprint, and Alltel. Local exchange service will be offered initially
4 within the present operating areas of BellSouth, Verizon, Sprint and Alltel.
5

6 **Q: What local and interexchange services does Quality Telephone seek to offer**
7 **in South Carolina?**

8 A: By its Application in the above-captioned docket, Quality Telephone proposes to
9 offer residential telephone service with optional features and bundled services
10 such as local and long distance services in a combined package. In addition, the
11 Company will provide to its Customers access to emergency call services (e.g.
12 911), directory assistance and other ancillary services.
13

14 **Q: Does the Company intend to offer prepaid debit card services in South**
15 **Carolina?**

16 A: No. The Company is aware of the Commission’s \$5,000 bond/certificate of
17 deposit requirement in connection with prepaid debit card services.
18

19 **Q. What regulatory treatment is Quality Telephone seeking for its local**
20 **exchange services?**

21 A. Quality Telephone requests that the Commission allow it to employ a flexible
22 local exchange rate structure first authorized by Order No. 98-165 in Docket No.
23 97-467-C. Specifically, Quality Telephone requests that the Commission: a) adopt

1 for its local exchange services a competitive rate structure incorporating
2 maximum rate levels with the flexibility for rate adjustment below the maximum
3 rate levels; and b) presume that Quality Telephone's tariff filings for local
4 exchange services be valid upon filing, subject to the Commission's authority,
5 within thirty (30) days, to institute an investigation of such filings. At the
6 discretion of the Commission such filings may be suspended pending further
7 order of the Commission and any such filings may be subject to the same
8 monitoring process as the Commission applies to other, similarly situated carriers.

9
10 **Q: How does the Company intend to market its services in South Carolina?**

11 A: The Company intends to use direct mail, both to its existing local exchange
12 customers and prospective new customers. The company may have
13 approximately 20 stores in the area that will display posters advertising the
14 service and the company's toll-free number. The Company does not employ
15 outbound telemarketing.

16
17 **Q: Please describe Quality Telephone's technical ability to provide this service.**

18 A: Quality Telephone is guided by an experienced and highly able management team
19 that includes individuals who have distinguished themselves over the past several
20 years in executive positions within the telecommunications industry. The senior
21 management team possesses extensive technical, operational, and regulatory
22 telecommunications experience as detailed in Exhibit D to the Application.

1 **Q: How does Quality Telephone involve itself in the billing cycle of its**
2 **customers?**

3 A: Quality Telephone bills its customers directly, on a monthly basis.
4

5 **Q: How does the Company handle customer service matters?**

6 A: We have a Customer Service Department and a toll-free customer service number,
7 1-800-527-3233. Customer inquiries regarding service or billing may be made in
8 writing or by telephone. Quality Telephone's customer service personnel will
9 respond either in person or via telephone as soon as possible, but no later than one
10 business day from receipt of inquiry. The toll-free number will be printed on the
11 customer's monthly billing statements.
12

13 **Q: Who is the regulatory contact person if the Commission has regulatory**
14 **questions?**

15 A: I am. My toll-free telephone number is 800-527-3233.
16

17 **Q: Who is the financial information contact person if the Commission has**
18 **questions on financial issues?**

19 A: I am. My toll-free telephone number is 800-527-3233 or my direct line at 214-
20 746-6363.
21

22 **Q: How long has Quality Telephone been in business?**

23 A: Quality Telephone was incorporated in the State of Texas in August, 1998.

1 **Q: Does Quality Telephone have offices in South Carolina?**

2 A: No. Accordingly Quality Telephone requests, pursuant to Commission Rule 103-
3 610, that the Applicant be allowed to keep its books and records at its corporate
4 offices in the State of Texas. In the event the Commission or the Office of
5 Regulatory Staff requests any of these records, we will provide them
6 expeditiously and at our own cost.

7

8 **Q: Is Quality Telephone certified or otherwise authorized to provide**
9 **telecommunications services of the type described herein in any other states?**

10 A: The Company has been authorized in 22 states and has applications pending in 5
11 states.

12

13 **Q: Does this conclude your prefiled testimony in support of your application?**

14 A: Yes, it does.